

## Message Text

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44

ACTION OES-02

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 IO-03 SP-02 L-01

INR-05 CIAE-00 PM-03 EA-06 EB-03 ACDA-10 DODE-00 /055 W

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P 241323Z SEP 75

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 6423

INFO AMEMBASSY TOKYO

USERDA GERMANTOWN PRIORITY

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LIMDIS

DEPT PASS WHITE HOUSE FOR SCHLEDE

ERDA FOR ROBERT FRI AND WILLIAM VOIGT

E.O. 11652: N/A

TAGS: TECH, JA, IAEA

SUBJECT: JAPANESE URANIUM ENRICHMENT SITUATION

SUMMARY: IN PRIVATE DISCUSSION DURING IAEA GENERAL CONFERENCE JAPANESE UTILITY REPRESENTATIVE ADVISED ERDA OFFICIALS THAT JAPAN PLANNED RELY ON U.S. FOR ADDITIONAL URANIUM ENRICHING SERVICES BUT WERE UNABLE TO MAKE DECISION TO PARTICIPATE IN UEA OR CENTRIFUGE PROJECT AT THIS TIME. END SUMMARY.

1. ON MONDAY, 22 SEPTEMBER, DURING OPENING SESSION OF IAEA GENERAL CONFERENCE DR. SEAMANS, ADMINISTRATOR OF ERDA MET WITH DR. TAMAKI SPPONMATSU, CHAIRMAN OF THE ENRICHMENT AND REPROCESSING GROUP OF JAPAN TO REVIEW URANIUM ENRICHMENT SITUATION IN THAT COUNTRY. DR. HAYAO WASU OF THE JAPAN ATOMIC POWER COMPANY, DR. ROBERTS, ASSISTANT ADMINISTRATOR FOR NUCLEAR ENERGY AND HELFRICH OF ERDA WERE ALSO PRESENT.

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2. DR. IPPONMATSU NOTED THAT FOLLOWING THE

PRESIDENTIAL ANNOUNCEMENT OF JUNE 26 BOTH UEA AND EXXON NUCLEAR HAD APPROACHED JAPAN FOR SUPPORT. UEA PROPOSAL INVOLVED EQUITY AND/OR DEBT PARTICIPATION WHILE EXXON PROPOSAL INVOLVED ONLY A SWU CONTRACT COMMITMENT WITH ADVANCE PAYMENT. UEA PROPOSAL PRESENTS SERIOUS DIFFICULTIES TO JAPANESE UTILITIES SINCE SOME FORM OF PROJECT GUARANTEES WOULD BE REQUIRED IN ORDER FOR THEM TO BE ABLE TO BORROW FUNDS FOR PARTICIPATION. EXXON PROPOSAL DOES NOT INVOLVE THIS DIFFICULTY SINCE BOTH SWU PURCHASE AND ADVANCE PAYMENTS ARE NORMAL PART OF JAPANESE UTILITY FUEL PURCHASE PRACTICES AND ACCEPTABLE TO BANKERS.

3. IN VIEW OF THE ABOVE AND THE FACT THAT THE DOMESTIC JAPANESE ENRICHMENT R&D PROGRAM WAS ALMOST EXCLUSIVELY DIRECTED TO THE CENTRIFUGE, IPPONMATSU STATED THAT THERE WAS STRONG SENTIMENT IN JAPAN TO SUPPORT THE EXXON PROPOSAL AND TAKE NO POSITION ON THE UEA PROPOSAL. DR. IPPONMATSU ADDED THAT HE WAS PERSONALLY OPPOSED TO THIS APPROACH. THEREFORE, HE HAD PROPOSED TO THE SENIOR JAPANESE UTILITY EXECUTIVES THAT THEY SHOULD ADVISE THE U.S. THAT (A) JAPAN INTENDED TO RELY ON U.S. FOR ADDITIONAL LONG TERM ENRICHMENT SUPPLY ESTIMATED TO BE ABOUT 1,000 TONS SWU PER YEAR BEGINNING IN MID-1980'S AND (B) DUE TO FINANCIAL DIFFICULTIES NOTED ABOVE JAPANESE WERE UNABLE TO DECIDE AT THIS TIME WHICH U.S. PROJECT TO SUPPORT. JAPANESE UTILITY EXECUTIVES ACCEPTED THIS APPROACH IN PRINCIPLE AND A DRAFT LETTER TO THIS EFFECT FROM IPPONMATSU TO SEAMANS IS CURRENTLY BEING COORDINATED FOR DISPATCH AFTER HIS RETURN TO JAPAN.

4. IPPONMATSU SHOWED THE ERDA REPRESENTATIVES AN EARLY DRAFT OF THIS LETTER FOR COMMENT. HE WAS ADVISED THAT THE U.S. IS COMMITTED TO A PROGRAM FOR INCREASING U.S. ENRICHMENT CAPACITY USING PRIVATE INDUSTRY AND THAT WE WERE PLEASED THAT THE JAPANESE PLANNED TO UTILIZE U.S. CAPABILITY. NO SPECIFIC COMMENTS WERE MADE ON DRAFT LETTER ITSELF.

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5. IF THIS APPROACH IS ACCEPTABLE TO ALL JAPANESE AUTHORITIES INVOLVED, IPPONMATSU PLANS SEND LETTER PRIOR TO END OF SEPTEMBER. TAPE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 SEP 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
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**Drafter:** n/a  
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**Errors:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JAPANESE URANIUM ENRICHMENT SITUATION SUMMARY: IN PRIVATE DISCUSSION DURING IAEA GENERAL  
**TAGS:** TECH, JA, IAEA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006